



General Assembly

February Session, 2006

Raised Bill No. 503

LCO No. 2450

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Referred to Committee on General Law

Introduced by:
(GL)

***AN ACT CONCERNING GIFT CERTIFICATES, GIFT CARDS AND
BUSINESS CLOSING-OUT SALES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21-35b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) No person shall advertise, offer for sale or sell a stock of goods,
4 wares or merchandise under the description of closing-out sale unless
5 he shall have obtained a license from the Commissioner of Consumer
6 Protection authorizing the conducting of such sale for each location at
7 which such sale is to be conducted.

8 (b) Each person desiring to conduct a closing-out sale shall deposit
9 with the Commissioner of Consumer Protection the sum of five
10 hundred dollars or a dollar amount equal to one per cent of the
11 wholesale cost of the inventory filed pursuant to subsection (c) of this
12 section whichever is greater; provided that no such deposit shall
13 exceed five thousand dollars. Upon application in the sum to be
14 prescribed by said commissioner and upon deposit to said
15 commissioner of a further sum of one hundred dollars as a state license

16 fee, said commissioner shall issue to the applicant a "closing-out sale
17 license", authorizing him to advertise and conduct a sale consistent
18 with that requested in the application.

19 (c) Each person applying for a "closing-out sale license" shall make
20 such application therefor in writing and under oath stating all the facts
21 relating to the reasons and character of such sale, including the
22 opening and terminating dates of the proposed sale, a complete
23 inventory of the goods, wares and merchandise actually on hand in the
24 place where such sale is to be conducted, as well as a complete list of
25 all gift cards and gift certificates, as defined in section 3-56a,
26 redeemable by such person, in the manner prescribed by the
27 commissioner, and all details necessary to locate exactly and identify
28 fully the goods, wares or merchandise to be sold, and shall disclose the
29 names and residences of owner or owners or partners in whose
30 interest the sale is to be conducted. No license shall be issued unless
31 the application is submitted to the commissioner at least five days
32 prior to the requested commencement date of the closing-out sale. Any
33 applicant who uses the services of a promoter as defined in section 21-
34 35a for a closing-out sale shall include a signed and dated copy of the
35 agreement between such applicant and such promoter as part of the
36 application. The commissioner may, by regulation, request such other
37 information to be submitted by the applicant as he deems necessary.

38 (d) Each person holding a closing-out sale license issued under this
39 section shall file with the Commissioner of Consumer Protection a
40 monthly report, commencing one month from the opening date of the
41 sale, enumerating all goods, wares or merchandise, as well as all gift
42 cards and gift certificates, as defined in section 3-56a, redeemable by
43 such person, sold, transferred or otherwise disposed of by the licensee
44 or his agents, servants or employees during that month pursuant to the
45 closing-out sale. Said commissioner shall prescribe the form for such
46 reporting.

47 (e) All documentation concerning the goods, wares and

48 merchandise to be included in such closing-out sale, including but not
 49 limited to purchase orders and delivery statements, shall be made
 50 available by the licensee for inspection by an authorized representative
 51 of the commissioner during regular business hours.

52 (f) Each person holding a closing-out sale license shall (1) include
 53 the license number and a notice that any gift card or gift certificate, as
 54 defined in section 3-56a, issued by such person or by the business for
 55 which such person has applied for such license, may be redeemed
 56 prior to the termination date of such license in any advertisement,
 57 together with clear and conspicuous disclosure of the termination date
 58 of such closing-out sale license, and (2) post such license in a
 59 conspicuous location at the point of sale.

60 (g) Each person holding a closing-out sale license shall honor a gift
 61 card or gift certificate, as defined in section 3-56a, issued by such
 62 person or by the business for which such person has applied for such
 63 license.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	21-35b

Statement of Purpose:

To allow consumers to redeem gift cards and gift certificates when retail entities go out of business.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]